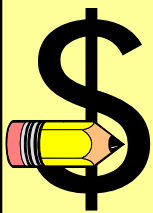


November/December 2004



SCHOOL FINANCE UPDATE

A Monthly Newsletter Published by the School Finance Division

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This newsletter is emailed to school districts, county superintendents, county treasurers, and auditors each month. The newsletter is intended to reach all district staff involved in budgeting, accounting, enrollment, special education funding, and federal programs. Please forward this newsletter to all interested parties. Got suggestions for items to include here? We'd love to hear from you!

Mileage Rate for 2005

The mileage reimbursement for an employee traveling on school business using his or her own car will increase to \$0.405 (40.5 cents) on January 1, 2005. This rate is based on state law, MCA 2-18-503.

New School Finance Calendar!!

We've integrated the MASBO calendar items into the OPI calendar to make it more useful. From the School Finance webpage, click on <School Finance Calendar>. You can also access the calendar directly at:

<http://www.opi.state.mt.us/calendar/calendar.php?calendar=2>.

OPI contact: Nica Carte, 406-444-4401 or ncarte@state.mt.us.

New Citrix "Client"

MAEFAIRS users will have to download a new version of the Citrix Client sometime before reporting the Spring Enrollment in February 2005. This can be done anytime. To download the client software, go to the OPI website at <http://www.opi.state.mt.us>, click on the IRIS tab at the top of the page, and click <Install Citrix Clients>. Now, you're all set for the February Enrollment!

If you have questions, contact Nica Carte at (406) 444-4401 or ncarte@state.mt.us

Maintenance of Effort "Check-Up" During December

OPI emailed a notice to each district in late November concerning the status of maintenance of effort (MOE) for Title I and other Title programs, IDEA Part B and Preschool, possible special ed funding reversions, and any problems related to reporting of Career and Tech Ed (CTE) expenditures for FY04 that might affect future state CTE allocations. This process requires your immediate attention to correct any FY2003-04 Trustees' Financial Summary (TFS) reporting errors that might have caused MOE or reversion problems.

Deadline for corrections is December 20, 2004, so prompt action is very important. For more info, contact Jim Oberembt at 444-1257 or joberembt@state.mt.us.

*Need More Info About Maintenance of Effort (MOE)?
Look for Appendix C and D in the OPI Grants Handbook!*

**Training
News:**

MASBO New Clerks' Workshop Held in November

The Montana Association of School Business Officials (MASBO) held a 2-day training session for new (and almost new) clerks in Helena on November 16 and 17. The session was attended by about 40 Clerks, County Superintendents, County Treasurers, and other staff. MASBO representatives, including Betty Brumwell (Dutton K-12), Gracie Green (Roundup), and Gary Craft (Jefferson HS) were presenters. Various other people, including Mike Waterman from OPI, also presented. Discussions covered numerous basic and advanced topics -- payroll, elections, paying the bills, and reconciling the accounts, to name a few.

Another session is tentatively planned for April 2005. MASBO will announce registration later this winter.

Impact Aid Workshop on December 15

OPI will host an Impact Aid workshop on Wednesday, December 15, 2004, from 9:30 a.m. to 1 p.m. The workshop will be provided via teleconference, which will allow attendees to view the workshop from one of several locations around Montana.

Mr. Kerry Wingell of the U.S. Dept of Education's Impact Aid Program will be the guest speaker. Mr. Wingell's presentation will focus on the electronic Impact Aid application ("e-application") process, along with information about completing the FY2006 Impact Aid Application. The e-application is the standard for submitting the FY 2006 application. The workshop will be beneficial to district staff who will be working on the Impact Aid application for the first time, or a good refresher for those familiar with the Impact Aid Program and the e-application.

The teleconference sites are: Arlee, Billings, Bozeman, Brockton, Browning, Cut Bank, Dodson, Eureka, Frazer, Froid, Great Falls, Hardin, Havre, Hays/Lodgepole, Heart Butte, Helena, Kalispell, Lodge Grass, and Medicine Lake.

OPI contact: Tal Redpath, (406) 444-3024 or fredpath@state.mt.us.

**New
Requirement
for
Employers**

**Hiring Employees
Not Covered by
Social Security**

Most school employees in Montana are covered under Social Security. However, the few districts which do not cover employees for Social Security need to be aware of new regulations. Starting January 1, 2005, the employer must provide certain disclosures about the effects on future benefits from having their employment not covered by Social Security.

1. The employer must give a Form SSA-1945, Statement Concerning Your Employment in a Job Not Covered by Social Security, to the new employee before employment begins.
2. The form must be signed by the employee (original retained by employer).
3. A copy of the form must be sent to the pension paying agency.

The form can be found at <http://www.socialsecurity.gov/form1945> or by faxing a request to 410-965-2037. (Form SSA-1945 comes in packages of 25.) You must include the employer name, complete address and telephone number. (Forms

cannot be sent to a post office box.) If appropriate, include the name of the person who will take delivery. Ask for Inventory Control Number (ICN) 276950.

For more information, contact Jenifer Alger (State Social Security Administrator) at (406) 444-1624 or jealger@state.mt.us.

**Entitlements
for FY 2005-
06**

What are the Rates for FY06?

**Inflation
Factor**

Based on current law, the per-student and basic entitlement rates will be increased by 2.1% for FY 2005-06, as shown below. The lawsuit declaring the funding system unconstitutional will likely cause changes in school funding formulas, including these rates, so please use them with caution.

FY 2005-06 Basic Entitlement

Elementary	\$ 20,276
HS	\$ 225,280

Per-ANB

Elementary	\$ 4116
HS	\$ 5484

How was the Inflation Factor of 2.1% Calculated?

MCA 20-9-326 says that when preparing the agency budget for the next biennium (i.e., in the Fall before the Legislature meets), the calculation is made for the first year as follows: “divide the consumer price index for July 1 of the prior calendar year by the consumer price index for July 1 of the calendar year 3 years prior to the prior calendar year and raise the resulting ratio to the power of one-third....”

That means:

[CPI for 7/1/03 divided by CPI for 7/1/01] raised to the power of 1/3*
= [183.9 divided by 172.8] raised to the power of 1/3
= [1.06423611] raised to the power of 1/3
= $\sqrt[3]{1.06423611}$
= 1.021 The inflation factor is 102.1%, or an increase of 2.1% for FY06.

“Raised to the power of 1/3’ means the same as the “cubed root.” In other words, “What number multiplied by itself 3 times will result in the number we are looking for?”

If you have questions other than “How do you calculate a cubed root?” please contact Bonnie Maze, 406-444-3249 or bmaze@state.mt.us.

**Final “Title”
Grant
Budgets –
Look Before
You Leap!**

OPI has determined final allocations for the “Title” programs. OPI sent districts an e-mail notifying them that the approved applications containing the final budgets for the “Title” programs (Title I-A, Title II-A, Title II-D, etc) had been posted. When districts submitted the FCA (Federal Consolidated Application), budgets were based on preliminary allocations. The approved budgets have the final allocations, which may be different than the preliminary allocation.

Apparently many districts overlooked that notice and consequently do not know they may have different grant budgets. The OPI Federal Program Accountants are receiving lots of cash request forms based on PRELIMINARY allocations, rather than on the final allocations.

Please check your final grant budgets posted at: <http://data.opi.state.mt.us/FCA/>. Locate your district's application using the Legal Entity (Le) number. For example, the file for Grant Elementary (Le 0003) is Fy2005Le0003Fca.pdf.

Please contact the Program Accountants if you have questions.

**Medicaid
News:**

CSCT Conference Call – Q&A

In November, Jim Oberembt (OPI), Michelle Gillespie (DPHHS) and Nora Paape (Maximus) met by conference call with several clerks involved in the Medicaid CSCT and MAC programs to discuss the periodic expenditure reports and indirect cost allocations. Based on that discussion, the group posted questions and answers concerning the CSCT program and links to pertinent program materials on the web at

<http://www.dphhs.state.mt.us/hpsd/medicaid/medicaid2/pdf/csctconfcallqanda1104.pdf>. For other related information, go to <http://www.dphhs.state.mt.us/hpsd/medicaid/medicaid2/medpi/medprovidertype/45.htm#other>.

Coding Medicaid Payments

Deposit Medicaid receipts in Miscellaneous Programs Fund 15 under a separate project reporter code. Code receipts for regular School Based Services (SBS) using revenue sources 3351-3358. This payment will be reimbursements for services such as physical therapy, speech therapy, etc. Code receipts for the new Comprehensive School and Community Treatment Services program (CSCT) using revenue source 3356. Code expenditures using expenditure program 100 regular education services or 280 for special education services.

OPI contact: Jim Oberembt, (406) 444-1257 or joberembt@state.mt.us

**Get Buses
Inspected
Soon!**

If you have not already done so, schedule the 2nd Semester Bus Inspections. Buses must pass Inspection by Jan. 31, 2005, to receive full funding for the second semester.

OPI is in the process of transitioning to an electronic system for many of the transportation forms, including the inspection form. Consequently, districts did not receive 5-part paper forms this year. Remember to send copies of the inspections from the Montana Highway Patrolmen to OPI and the County Superintendent.

OPI Contact: Maxine Mougeot, (406) 444-3096 or mmougeot@state.mt.us.

**Useful
Websites**

List of all Official OPI E-Mails: http://www.metnet.state.mt.us/Official_Mail

OPI's GASB 34 Web Page: <http://www.opi.state.mt.us/schoolfinance/gasb34.html>

Let us know if you are looking for a particular form, and we'll do our best to provide it electronically!

Bus Safety and Driver Training Videos:

<http://www.opi.state.mt.us/pdf/pupiltransport/TrainingVideos.pdf>

OPI's "Get Answers" searchable databases for School Finance:

http://data.opi.state.mt.us/scripts/rightnow.cfg/php.exe/enduser/std_alp.php?p_sid=VtNdSksh&p_lva=&p_li=&p_page=1&p_prod_lv1=2&p_prod_lv2=%7Eany%7E&p_cat_lv1=%7Eany%7E&p_search_text=&p_new_search=1&p_search_type=3&p_sort_by=dflt

School Finance forms and publications: [http://](http://www.opi.state.mt.us/schoolfinance/forms.html)

www.opi.state.mt.us/schoolfinance/forms.html

FP-14 Student Attendance Agreement:

<http://www.opi.state.mt.us/PDF/SchoolFinance/forms/FP14Fillin.pdf>

FP-14A Special Tuition Rates (used with FP-14)

<http://www.opi.state.mt.us/PDF/SchoolFinance/forms/FP14AFillin.pdf>

2005 Elections Calendar:

<http://www.opi.state.mt.us/PDF/SchoolFinance/forms/2005Calendar.pdf>

Need more information about elections? Contact Mike Waterman at (406) 444-4524 or mwaterman@state.mt.us.

CFDA Numbers for Federal Grants: [http://](http://www.opi.state.mt.us/FederalPrograms/handbook.html)

www.opi.state.mt.us/FederalPrograms/handbook.html

(Appendix F of the OPI State and Federal Grants Handbook)

Budget Amendment Packet: OPI offers a packet of information about the budget amendment process for school districts:

<http://www.opi.state.mt.us/pdf/schoolfinance/forms/2002bapacket.pdf>

Montana Codes Annotated (MCA) Online:

<http://www.opi.state.mt.us/masterMCASearch.html>

**In case
you
missed
it....**

If your enrollment increased more than 6% over the average enrollment in SY 2003-04, your district may be eligible for additional state funding. OPI Contact: Mike Waterman, (406) 444-4524 or mwaterman@state.mt.us.

**Coming
soon....**

We'll send you an e-mail when OPI posts the General Fund Excel spreadsheets for FY06.

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